

# SENATE BILL REPORT

## SB 5550

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As Reported by Senate Committee On:  
Financial Institutions, Housing & Insurance, February 24, 2009

**Title:** An act relating to minimum terms for closure or conversion notices for mobile home parks and manufactured housing communities.

**Brief Description:** Requiring a minimum of three years' notice on closures or conversions of mobile home parks and manufactured housing communities.

**Sponsors:** Senators McAuliffe, Rockefeller, Kastama, Franklin, Kauffman and Fraser.

**Brief History:**

**Committee Activity:** Financial Institutions, Housing & Insurance: 2/11/09, 2/24/09 [DPS, DNP, w/oRec].

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### SENATE COMMITTEE ON FINANCIAL INSTITUTIONS, HOUSING & INSURANCE

**Majority Report:** That Substitute Senate Bill No. 5550 be substituted therefor, and the substitute bill do pass.

Signed by Senators Berkey, Chair; Hobbs, Vice Chair; Franklin and McDermott.

**Minority Report:** Do not pass.

Signed by Senator Schoesler.

**Minority Report:** That it be referred without recommendation.

Signed by Senator Parlette.

**Staff:** Diane Smith (786-7410)

**Background:** The Manufactured/Mobile Home Landlord-Tenant Act (Act) provides that any mobile home space tenancy, regardless of term, must be based upon a written rental agreement. The conversion or sale of the park and the potential consequences to the tenant are required to be addressed in the rental agreement. Two alternative approaches are provided.

One alternative allows the use of a covenant by the landlord that the park will not be converted to a use that will require the tenant to vacate the park for three years from the start of the rental agreement. The other alternative allows the rental agreement to set out in large,

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boldfaced text directly above the tenant's signature that the park may be sold or the landlord may close the park at any time after the required notice.

A landlord may not terminate a tenancy except for one or more reasons stated in the Act. One of those reasons is a change of land use such as a sale or conversion to a use as other than a mobile home park, or conversion of the park to a cooperative or subdivision. The landlord must give the tenant 12 months advance notice of the effective date of this change.

**Summary of Bill (Recommended Substitute):** Tenants must be given 18 months' notice of closure of the park, with some exceptions. The closure notice must be in substantially the same form as the example provided. It includes contact information and notification of the possibility of relocation assistance. It also includes language that applies if the owner is willing to sell the park to the tenants.

Each rental agreement must state in large, boldfaced text directly above the tenant's signature that the park may be sold or the landlord may close the park at any time after the required notice. The notice period of that required notice is 18 months. Each rental agreement must include a copy of the closure notice, if the notice is in effect.

If a home is to be sold and that home is inside a park under a closure notice, a copy of that notice must be given to the buyer by the landlord at least seven days in advance of the sale.

**EFFECT OF CHANGES MADE BY FINANCIAL INSTITUTIONS, HOUSING & INSURANCE COMMITTEE (Recommended Substitute):** Tenants must be given 18 months' notice of closure.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony on Original Bill:** PRO: It can take a very long time to find a mobile home park to move to. You also have to pay \$16,000 to move the home itself. This has to be considered with the costs you had moving into the park in the first place. People have been led to believe that the owner of the park will be keeping the park going into the foreseeable future and then told to move a month after you move in. Your home loses its market value, sometimes by extreme amounts. Seventy-five percent of the people in these parks will not be able to afford other housing. Fifty-five parks have been closed in two years.

CON: This bill could have negative unintended consequences. The bubble has burst. There could be a chilling impact on future development of new communities. The Growth Management Act says parks are not conforming uses. Local governments want commercial uses and high density.

**Persons Testifying:** PRO: Dean Webber, Mobile Homeowners Association; Frank Cheeney, Association of Manufactured Homeowners; Ishbil Dickens, Columbia Legal; Diane Navicky, American Mobile Homeowners Association.

CON: Martin Durkan Jr., Auburn Hills, LLC; Bob Mitchell, Washington Realtors; John Woodring, MHEW; Keith England, Licensed Real Estate Broker-Coldwell Bankers; Walter Olsen, DSR Enterprises, Cederbrook Mobile Home Park.